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# CENTRAL INTELLIGENCE GROUP

## INTELLIGENCE REPORT

~~INTERVIEW NO.~~

COUNTRY Brasil

DATE: 25X1X6

SUBJECT Political Situation in Pernambuco

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SUPPLEMENT

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*[Signature]*

1. The Federal Government of Brazil is concerned about the political instability in the state of Pernambuco as a result of the January elections, according to an impression received by Eduardo Gabriel Sand, Director General of the Sao Paulo Secretariat of Labor, in a conversation with General Alcide Souto, Chief of the Presidential Military Cabinet, on 21 February 1947. Source has reported that according to Souto the defeated National Democratic Union (UDN) was very much disgruntled, and its members seemed disposed to resort to violence, even threatening to prevent Barbosa Lima, the apparent governor-elect, from taking office.
2. Barbosa Lima was the candidate of the Social Democratic Party (PSD), and had the support of Agamenon Magalhaes, principal henchman of Vargas. A movement to prevent Lima from taking office was reported to be encouraged by Juracy Magalhaes - no relation and a bitter enemy of Agamenon - who is one of the most influential as well as most intractable UDN leaders in the Northeast. Also involved in this movement was the Interventor of Pernambuco, General Dornival Peixoto, an UDN adherent, who placed the state Secretariat of Public Security and the Military Brigade (state militia) under command of Humberto Melo, a henchman of Juracy Magalhaes. At the same time he placed the Political Police in the hands of Carlos Moreira, a bitter UDN follower suspected of leftist, if not Communist, leanings.
3. The above facts were reported to President Dutra by General Octavio Mazza, who until February of this year was in command of the 7th Military Region in Recife, Pernambuco. This command has been given to General Gil Castello Branco, an UDN adherent and a friend of Juracy Magalhaes.

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